Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
Developing a Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92
	)	

COMMENTS OF GENERAL COMMUNICATION, INC. IN RESPONSE TO THE PUBLIC NOTICE TO REFRESH THE RECORD ON INTERCARRIER COMPENSATION REFORM RELATED TO THE NETWORK EDGE, TANDEM SWITCHING AND TRANSPORT, AND TRANSIT

I. INTRODUCTION AND SUMMARY

On behalf of itself and its operating subsidiaries, General Communication, Inc. ("GCI") submits these comments in response to the Public Notice inviting parties to refresh the record regarding implementation of the intercarrier compensation reforms adopted in the *Transformation Order*.[1] As described below, delivering traffic to a called party in Alaska involves the services of an interexchange carrier ("IXC") more often than in the Lower 48. Even calls between communities served by the same local exchange carrier ("LEC") require an IXC's services to carry the traffic—often over satellite or microwave facilities—from one local exchange to the other. As such, for Alaska it is important to define the "network edge" for

[1] *Parties Asked to Refresh the Record on Intercarrier Compensation Reform Related to the Network Edge, Tandem Switching and Transport, and Transit*, Public Notice, 32 FCC Rcd. 6856 (Wireline Comp. Bur. 2017) ("*Public Notice*"); *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd. 17,663 (2011) ("*Transformation Order*"), *pets. for review denied sub nom. in re: FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014).

purposes of bill-and-keep in a way that recognizes and accommodates these realities. As GCI proposes below, for traffic other than 8YY traffic, originating carriers should be responsible for bringing traffic to the local exchange of the called party, or such other central point that the terminating LEC may have established to receive interexchange traffic. At the same time, to avoid the deliberate creation and exploitation of transport bottlenecks to reach an edge, Alaska LECs should be required to establish direct interconnection within their local exchanges, upon reasonable request, with any carrier willing to bring traffic to that point.

II. BACKGROUND REGARDING ALASKA NETWORK ARCHITECTURE[2]

Wireline network architecture in Alaska differs from that in the Lower 48 in ways that are directly related to the questions in the *Public Notice*. While there are many variations, in the Lower 48, LEC end offices and wireless mobile switching centers generally subtend a regional tandem within the same Local Access and Transport Area ("LATA"). Carriers frequently interconnect directly or indirectly at the regional tandem of the incumbent LEC ("ILEC"). IntraLATA calls do not necessarily require use of an IXC, although in some cases an IXC is utilized. InterLATA calls can usually be terminated by delivering a call to the serving wire center associated with the regional ILEC tandem.

In Alaska, by contrast, there are no LATAs and no access tandems.[3] LECs are certificated to serve particular local exchange areas, and a single ILEC study area generally

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[2] A similar description was provided in GCI's comments in response to the 2011 CAF/ICC Further Notice. Comments of General Communication, Inc. on Sections XVII.L-R of the CAF/ICC Further Notice of Proposed Rulemaking, WC Docket Nos. 10-90 et al. (filed Feb. 24, 2012).

[3] Sometimes Alaska is described as a state with no LATAs, and sometimes as a single LATA state. The difference is immaterial here, as in any event, LATAs play no functional role in Alaska intercarrier compensation and interconnection.

includes multiple different local exchange areas. Many of these ILEC local exchange areas are extremely small—comprising a single village or small number of nearby villages. All traffic between these local exchange areas is carried by an IXC, except in the rare instance in which the Regulatory Commission of Alaska has authorized Extended Area Service ("EAS"). IXCs interconnect with an ILEC in each of that ILEC's local exchange areas.

In this regime, the only calls not handled by IXCs are calls that begin and end within the same ILEC exchange area or EAS area. For wireline-originated calls, to cover the costs of providing interexchange service, such as the satellite link, IXCs bill the originating end user customer. Thus, when a caller places a call between villages in different ILEC exchange areas, the calling party will pay a long distance charge, even if the villages are served by the same LEC. For interstate calls originating outside of Alaska, Alaska facilities-based IXCs transmit calls from wherever they receive traffic to the LEC exchange where the traffic is terminated and then bill the carrier from which they received the traffic (the IXC's wholesale customer).

Mobile traffic in Alaska is even more complicated because all of Alaska comprises a single MTA. Generally, the CMRS carrier procures circuits from its central switch in Anchorage to the LEC switch in the local exchange area, which provide two-way transport at the CMRS carrier's expense. Calls across these trunks are limited to calls terminating to numbers registered within the local exchange area. Thus, calls from the LEC end users to CMRS numbers in that local exchange are handled via these trunks, as are all calls from CMRS end users throughout the MTA to LEC subscribers in that local exchange. If a CMRS carrier has no local number resources in the local exchange area, it generally terminates calls to the LEC by routing calls to an IXC that completes the call, bills the CMRS carrier for long distance service, and pays intrastate terminating access charges to the LEC. Calls from LEC subscribers to CMRS numbers in other local exchange areas are routed

to the caller's presubscribed IXC, which pays originating intrastate access charges to the LEC and bills the LEC end user for a long distance call.

III. IN ALASKA, THE "NETWORK EDGE" SHOULD BE THE TERMINATING LEC'S LOCAL EXCHANGE, UNLESS THE LEC DESIGNATES A DIFFERENT POINT

GCI supports the Commission's decision in 2011 to move all originating traffic to bill-and-keep, but as the Bureau has recognized, defining the "network edge"—the point where the terminating carrier's financial responsibilities begin—is critical. The edge also necessarily must be a point at which physical interconnection is available in order to prevent the creation of bottlenecks subject to no market-based pricing constraints. In Alaska, the edge should be defined to ensure that the terminating carrier covers the costs of terminating the traffic over its own exchange, but is not forced to cover interexchange costs outside the local exchange. GCI proposes that, at least in Alaska, the Commission define the network edge to be either of two points: (1) the point within the local exchange of the called party where the LEC has established interconnection with one or more IXCs, or (2) another point within Alaska designated by the LEC for receiving interexchange traffic.[4] In addition, GCI proposes that all LECs within Alaska be required to establish direct interconnection with any carrier, within their local exchanges, upon reasonable request.

It is logical for the calling customer (or that customer's carrier) to have financial responsibility to deliver traffic to the local exchange serving the called party in Alaska. Unlike in the Lower 48, in almost all cases in Alaska the terminating LEC cannot accept calls at another

[4] GCI has advocated that calls to 8YY numbers should be treated as terminating traffic, not originating traffic, and subject to bill-and-keep to the same extent as other terminating traffic. *See* Comments of General Communication, Inc. in Response to Public Notice Asking Parties to Refresh the Record Regarding 8YY Access Charge Reform, WC Docket Nos. 10-90 et al. (filed July 31, 2017).

point without incurring charges from an IXC to deliver the call over the IXC's facilities to the local exchange serving the called party. Rather, those arrangements should be the responsibility of the calling party and its carriers—the call initiators and cost-causers.

Notably, this would not require an Alaska ILEC (or any other Alaska carrier) to bear financial responsibility itself for carrying traffic outside of its local exchange. The carrier has the option to have its customer establish a direct relationship with the IXC whereby the IXC bills the end user for the interexchange link on calls originated by that end user. This is the most common situation today for Alaska wireline telephone consumers.

GCI's proposal also allows for terminating LECs to establish a point of interconnection outside of the called party's exchange for receipt of traffic, at which point the originating carrier or transit provider would hand off traffic and end its financial responsibility with respect to that traffic. For example, an Alaska LEC may wish to establish a hub in Anchorage at which it accepts all traffic and transits the traffic over dedicated facilities to its own exchanges, and bears the cost of that transit. This may be a useful and efficient arrangement as more traffic shifts from TDM to IP, and LECs can more efficiently transit the traffic within Alaska. It should also be more efficient for originating carriers and IXCs, which in that case would be able to end their responsibility at a more central and accessible location rather than carrying traffic to the specific local exchange serving the called party.

At the same time, originating carriers (and the IXCs to which they deliver traffic) should not be held captive to LECs' termination arrangements. Today, some LECs refuse to interconnect directly with IXCs. As a result, IXCs are forced to send traffic through the transit provider designated by the terminating LEC and incur the costs of that transit. This arrangement stifles competition among IXCs and transit providers, prevents market forces from disciplining

transit rates, and creates inefficiencies in the delivery of interexchange traffic. Alaska LECs should be required to interconnect directly with any carrier upon reasonable request. Any IXC that is willing to bring traffic all the way to the local exchange of the terminating LEC should be able to do so, rather than being forced to use the services of a transit provider. For wireless and VoIP providers, to the extent that they interconnect only through a tandem, they should either permit direct interconnection or bear the costs of the tandem transit in order similarly to avoid tandems becoming bottleneck pricing points with no market-based alternatives.

GCI's proposals are consistent with the goals of bill and keep, under which "a carrier generally looks to its end-users—which are the entities and individuals making the choice to subscribe to that network—rather than looking to other carriers and their customers to pay for the costs of the network."[5] GCI's proposals would look to the terminating carrier to pay the entire cost of carrying traffic across the local exchange serving the called party. Indeed, GCI's proposals would permit LECs to establish "network edges" that are more convenient for terminating carriers—points of interconnection in Anchorage, for example—thus going beyond bill-and-keep principles and accepting costs to carry traffic across Alaska to the called party.

[5] *Transformation Order* at 17,904 ¶ 737.

IV. CONCLUSION

The Commission should take into account how networks differ across the country as it considers how best to implement the remaining transition to bill-and-keep. In Alaska, bill-and-keep implementation should recognize that local exchanges are accessible only via IXCs. Originating carriers, not terminating LECs, should bear the costs to bring traffic to the terminating local exchange.

Respectfully submitted,

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